



Public Service Commission

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Rory M. Christian, Chair

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PSC Breathes New Life into Popular Con Edison Clean Heat Program

Commission Pumps \$518 Million into Con Edison's Signature Building Electrification Program

ALBANY — The New York State Public Service Commission (Commission) today approved Consolidated Edison Company of New York, Inc.'s (Con Edison) request to transfer previously collected and unspent funds as well as future authorized electric energy efficiency budgets to support the continuation of its popular Clean Heat program. In addition, the Commission made other modifications to the program, including reallocating an additional \$100 million into the program and approving a continuity funding mechanism. Combined, today's decision will result in \$518 million in funding being made available for the company to continue processing applications and will allow for up to \$10 million per month of additional funding to continue operating the program.

"Governor Hochul's commitment to protecting and enhancing our environment has been steadfast," **said Commission Chair Rory M. Christian.** "The Commission's actions today will provide for the funding necessary to allow the company to resume processing and accepting Clean Heat Program applications, thereby minimizing market disruption and advancing the State's building electrification goals and mandates."

The New York State Clean Heat Program, which all the major utilities participate in along with support from NYSEERDA, promotes the electrification of space and water heating by offering contractor and customer incentives for the installation of air- and ground-source heat pumps.

Con Edison's Clean Heat Program, which commenced in March 2020, saw rapid growth in the second half of 2021 and the beginning of 2022. That growth put the company on track to substantially exceed its cumulative 2020 through 2025 MMBtu savings target and exhaust its cumulative budget nearly four years ahead of schedule.

The extraordinary program growth led the company to announce that it would stop accepting new air source heat pump project incentive applications indefinitely and, more recently, has instituted a waitlist for all large multifamily and Commercial and Industrial ground source heat pump project applications and is limiting custom ground source heat pump incentives to a maximum of \$1 million per project.

Similar to an air conditioner, however with the addition of a reversing valve, heat pumps allow for a change of the refrigeration cycle from heating to cooling or vice-versa. Heat pumps absorb heat from a source, such as outdoor air or the ground, and transfers the heat rather than producing it. In the heating season, heat is extracted from the heat source and supplied to the conditioned space.

Conversely, during the cooling season, heat is extracted from the conditioned space and sent into the heat sink. Electrifying buildings' heating loads are a critical component of meeting New York's ambitious climate objectives.

Today's decision comes amidst a chorus of requests from more than a dozen local government officials, sustainability organizations, as well as numerous heating contractors, supporting further funding for the Clean Heat Program in Con Edison's service territory in order to lift the program pause and continue providing incentives for heat pump technologies.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 18-M-0084 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.